

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**In re SAXBYS COFFEE WORLDWIDE, LLC**

Case No. 09-15898 (ELF)

**Reporting Period:** December, 2010

## **MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to official committee appointed in case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR - 1		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR - 1 (CON'T)		
Copies of Bank Statements			
Cash Disbursements Journals			
Statement of Operations	MOR -2		
Balance Sheet	MOR -3		
Status of Post petition Taxes	MOR -4		
Copies of IRS Form 6123 or Payment Receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Post petition Debts	MOR - 4		
Listing of aged accounts payable			
Accounts Receivable Reconciliation and Aging	MOR -5		
Debtor's Questions	MOR -5		

I declare under penalty of perjury ( 28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

SAXBYS COFFEE WORLDWIDE, LLC

1/21/2010

### Authorized individual

Kevin Meakim

Printed Name of Authorized Individual

## Member

**Title of Authorized Individual**

\* Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

Saxbys Coffee Worldwide, LLC  
Cash Receipts and Disbursements  
December, 2010

	Bancorp 001-1-135385	<u>TOTAL</u>
<b>Balance</b>	<b>11/30/2010</b>	<b><u>(8,578.27)</u></b>
Receipts		
Revenue collected	65,085.76	65,085.76
COBRA Reimbursements	-	-
Due to/from related parties	22,775.00	22,775.00
Transfers	-	-
<b>Total receipts</b>	<b><u>87,860.76</u></b>	<b><u>87,860.76</u></b>
Disbursements		
Net payroll	19,086.30	19,086.30
Payroll taxes	5,788.89	5,788.89
Administrative and Selling	5,528.23	5,528.23
Insurance	1,683.16	1,683.16
Bank charges	403.60	403.60
Other	-	-
Transfers	-	-
Trustee fees	-	-
Due to/from related parties	47,450.00	47,450.00
Professional fees	10,112.50	10,112.50
<b>Total disbursements</b>	<b><u>90,052.68</u></b>	<b><u>90,052.68</u></b>
<i>Net cash flow</i>	<b><u>(2,191.92)</u></b>	<b><u>(2,191.92)</u></b>
<b>Balance</b>	<b>12/31/2010</b>	<b><u>(10,770.19)</u></b>

Saxbys Coffee Worldwide, LLC  
Bank Reconciliations - Cover Page  
December, 2010

Bancorp  
001-1-135385

*Bank Balance* (689.65)

Deposits in Transit

None

Outstanding Checks

12/17/2010 0000100246	Payroll - Joseph Grasso	-1,187.78
12/01/2010 000100248	Payroll - Richard Rollier	-769.23
12/30/2010 1511	Line Systems Inc.	-433.99
12/30/2010 1514	Beneficial Bank	-433.55
12/30/2010 1513	Bandwidth.com	-267.83
12/30/2010 1512	Alarm One Security	-105.00
12/31/2010 250	Payroll - Nicholas Bayer	-2,346.86
12/31/2010 252	Payroll - Joseph Grasso	-1,186.78
12/31/2010 255	Payroll - Brian Whittaker	-1,153.85
12/31/2010 254	Payroll - Richard Rollier	-769.23
12/31/2010 251	Payroll - Spencer Curtis	-708.88
12/31/2010 253	Payroll - Kelly Pendergrast	-135.00
12/31/2010 ACH	Payroll Service Charges	-582.56
		<u>(10,080.54)</u>

*Book Balance* (10,770.19)

G/L Balance (10,770.19)

Variance -

**STATEMENT OF OPERATIONS**

For the period December 1, 2010 through December 31, 2010		Dec	YTD
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4005 · ROYALTY REVENUE	63,526.11	703,838.10	
4010 · OTHER REVENUES	429.91	41,899.88	
<b>Total Income</b>	<b>63,956.02</b>	<b>745,737.98</b>	
<b>Cost of Goods Sold</b>			
5010 · AREA DEVELOPER FEES	3,180.93	61,677.67	
<b>Total COGS</b>	<b>3,180.93</b>	<b>61,677.67</b>	
<b>Gross Profit</b>	<b>60,775.09</b>	<b>684,060.31</b>	
<b>Expense</b>			
6010 · ADVERTISING AND MARKETING	0.00	17,576.03	
6110 · BANK AND CREDIT CARD FEES	403.60	1,520.16	
6150 · INSURANCE EXPENSE	815.00	10,521.03	
6300 · OFFICE EXPENSE	10.59	7,269.10	
6360 · BAD DEBT EXPENSE	0.00	19,017.62	
6400 · PROFESSIONAL FEES	4,174.67	73,718.92	
6500 · PERSONNEL EXPENSES	15,681.78	236,976.69	
6575 · EMPLOYER PAYROLL TAXES	1,283.46	20,651.33	
6580 · EMPLOYEE BENEFITS	819.82	38,090.53	
6615 · RENT - OFFICE	6,504.54	138,079.08	
6620 · RENT - OFFICE EQUIPMENT	89.58	2,041.08	
6630 · REPAIRS AND MAINTENANCE	0.00	1,926.07	
6650 · TELECOMMUNICATIONS EXPENSE	484.15	7,002.95	
6720 · TRAVEL AND ENTERTAINMENT	1,174.14	14,093.45	
6720 · TAXES	3,784.38	4,196.90	
6900 · FRANCHISE DEVELOPMENT	0.00	35,416.26	
<b>Total Expense</b>	<b>35,225.71</b>	<b>628,097.20</b>	
<b>Net Ordinary Income (Loss)</b>	<b>25,549.38</b>	<b>55,963.11</b>	
<b>Other Expense</b>			
7500 · REORGANIZATION COSTS	6,561.70	229,717.88	
7501 · ONE TIME CREDIT OF REORGANIZATION COSTS	0.00	-19,739.32	
8015 · DEPRECIATION EXPENSE	383.42	4,601.04	
8050 · DEBT SERVICE - INTEREST EXPENSE	5,357.23	64,768.70	
<b>Total Other Expense</b>	<b>12,302.35</b>	<b>279,348.30</b>	
<b>Net Other Income/Expense</b>	<b>-12,302.35</b>	<b>-279,348.30</b>	
<b>Net Income (Loss)</b>	<b>13,247.03</b>	<b>-223,385.19</b>	

**BALANCE SHEETS**

	Current Month <u>Dec 30 10</u>	Petition Date <u>Aug 5, 09</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
Bancorp - Royalty Acct.-5385	(9,057.15)	2,737.06
Beneficial Bank- Operational	-	57.20
BOA - SCWW Operating(3400)	-	(572.42)
<b>Total Checking/Savings</b>	<b>(9,057.15)</b>	<b>2,221.84</b>
<b>Accounts Receivable</b>		
<b>Accounts Receivable</b>	<b>24,772.76</b>	<b>53,616.13</b>
<b>Total Accounts Receivable</b>	<b>24,772.76</b>	<b>53,616.13</b>
<b>Other Current Assets</b>		
Goodwill	541,411.00	541,411.00
Prepaid Insurance	7,062.55	-
Prepaid Expense	-	16,039.26
Security Deposits	23,517.89	23,517.89
Trademarks	49,203.00	49,203.00
Go Card Inventory	2,569.90	-
<b>Total Other Current Assets</b>	<b>623,764.34</b>	<b>630,171.15</b>
<b>Total Current Assets</b>	<b>639,479.95</b>	<b>686,009.12</b>
<b>Fixed Assets</b>		
Computer Equipment	21,505.60	21,505.60
Equipment	7,300.00	3,000.00
Accumulated Depreciation	(12,242.39)	(5,724.25)
<b>Total Fixed Assets</b>	<b>16,563.21</b>	<b>18,781.35</b>
<b>TOTAL ASSETS</b>	<b><u>656,043.16</u></b>	<b><u>704,790.47</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>POST PETITION</b>		
<b>Accounts Payable</b>	<b>190,630.47</b>	-
<b>Professional Fees</b>	<b>271,506.44</b>	-
<b>Total Post Petition Liabilities</b>	<b>462,136.91</b>	-
<b>PRE-PETITION</b>		
Secured Debt	100,000.00	100,000.00
Other Taxes Payable	191,997.17	191,997.17
Unsecured Debt		
Term note payable	950,175.92	995,557.14
Accounts Payable	726,106.19	785,731.75
Due to related parties	8,936.25	38,238.88
Other notes payable	11,213.38	11,213.38
Contingent Liabilities	607,497.00	607,497.00
<b>Total PrePetition Liabilities</b>	<b>2,595,925.91</b>	<b>2,730,235.32</b>
<b>TOTAL LIABILITIES</b>	<b>3,058,062.82</b>	<b>2,730,235.32</b>
<b>Equity</b>		
Capital	(2,402,019.66)	(2,025,444.85)
<b>Total Equity</b>	<b>(2,402,019.66)</b>	<b>(2,025,444.85)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>656,043.16</u></b>	<b><u>704,790.47</u></b>

**STATUS OF POST PETITION TAXES**

All taxes that were withheld or incurred during the reporting period were paid timely.

The Debtor utilizes an outside payroll company to withhold and remit all payroll related taxes.

**SUMMARY OF UNPAID POST PETITION DEBTS**

	Current	0-30	31-60	61-90	Over 90	Total
Accounts Payable	4,109.38	6,904.15	3,760.88	3,570.33	4,724.11	23,068.85
Wages Payable						-
Taxes Payable						-
Rent/Leases Building - due to insiders	-	6,504.54	11,861.22	11,861.22	137,334.64	167,561.62
Rent/Leases Equipment						-
Secured Debt/Adequate Protection Payments						-
Professional Fees	6,236.70	2,081.25	14,401.97	11,776.78	237,009.74	271,506.44
Amounts Due to Insiders: accrued rent						-
Other: Interest						-
Other: Misc.						-
<b>Total Post Petition Debts</b>	<b>10,346.08</b>	<b>15,489.94</b>	<b>30,024.07</b>	<b>27,208.33</b>	<b>379,068.49</b>	<b>462,136.91</b>

**Explain how and when the Debtor intends to pay any past due post-petition debts.**

Debtor will have sufficient funds to pay all of the above post-petition debts from operations and/or has attempted to obtain DIP financing, per the Plan which is awaiting Confirmation.

**DEBTOR'S QUESTIONNAIRE**

	YES	NO
1 Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide explanation below.		X
2 Have any funds been disbursed from any other account than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3 Have all post petition tax returns been timely filed? If no, provide an explanation below.	X	
4 Are workers compensation, general liability and other necessary insurance coverage's in effect? If no, provide explanation below.	X	

Debtor is receiving and providing temporary loans to/from related parties to cover cash shortfall from operations.

Debtor is deferring, permanently upon Plan Confirmation, full rent payments to a related party to cover cash shortfall from operations.

Debtor will, as a matter of preparing for the annual audit, review non-cash items and contingency items for impairment and modification. If it is determined by Management that these items need to be adjusted the adjustments will be made in the reporting period. These one-items could significantly impact the overall financial statement presentation however they have no impact on the cash or ongoing operations of the Company.

~~MOR - 5~~  
Saxbys Coffee Worldwide LLC**A/R Aging Summary**

As of December 31, 2010

	<b>Current</b>	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt; 90</b>	<b>TOTAL</b>
A.R. Timing	8,924.85	0.00	0.00	0.00	0.00	8,924.85
Accounts Receivable 2007	0.00	0.00	0.00	0.00	0.00	0.00
Franchisee Royalties Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Haverford coffee company	0.00	0.00	0.00	0.00	99.99	99.99
J & M PARTNERS	0.00	0.00	0.00	0.00	0.00	0.00
Lynch, Joe	0.00	0.00	0.00	0.00	2,000.00	2,000.00
Roberto, Michael J.	0.00	0.00	0.00	0.00	1,500.00	1,500.00
Saxbys Coffee Shop 1005	0.00	0.00	0.00	0.00	-114.94	-114.94
Saxbys Coffee Shop 1010	0.00	0.00	0.00	0.00	2,608.28	2,608.28
Saxbys Coffee Shop 1018	0.00	0.00	0.00	0.00	114.94	114.94
Saxbys Coffee Shop 1019	0.00	0.00	0.00	0.00	10,509.20	10,509.20
Saxbys Coffee Shop 1020	0.00	0.00	0.00	0.00	364.93	364.93
Saxbys Coffee Shop 1022	0.00	0.00	429.53	273.83	1,019.21	1,722.57
Saxbys Coffee Shop 1024	0.00	0.00	0.00	0.00	14,269.17	14,269.17
Saxbys Coffee Shop 1031	0.00	0.00	0.00	0.00	-81.89	-81.89
Saxbys Coffee Shop 1035	0.00	0.00	0.00	114.94	0.00	114.94
Saxbys Coffee Shop 1038	0.00	0.00	0.00	0.00	7,999.58	7,999.58
Saxbys Coffee Shop 1039	0.00	0.00	0.00	0.00	225.86	225.86
Saxbys Coffee Shop 1041	0.00	0.00	0.00	0.00	969.13	969.13
Saxbys Coffee Shop 1046	0.00	0.00	0.00	0.00	13,831.77	13,831.77
Saxbys Coffee Shop 1047	0.00	0.00	0.00	0.00	5,918.51	5,918.51
Saxbys Coffee Shop 1049	0.00	0.00	0.00	0.00	718.90	718.90
Saxbys Coffee Shop 1050	0.00	0.00	0.00	0.00	114.94	114.94
Saxbys Coffee Shop 1051	0.00	0.00	0.00	0.00	870.83	870.83
Saxbys Coffee Shop 1052	0.00	0.00	0.00	0.00	836.42	836.42
Saxbys Coffee Shop 1053	0.00	0.00	0.00	0.00	616.55	616.55
Saxbys Coffee Shop 1054	0.00	0.00	0.00	0.00	1,119.02	1,119.02
Saxbys Coffee Shop 1055	0.00	0.00	0.00	0.00	47.43	47.43
Saxbys Coffee Shop 1057	0.00	0.00	0.00	0.00	4,703.86	4,703.86
Saxbys Coffee Shop 1058	0.00	0.00	0.00	0.00	7,009.91	7,009.91
Saxbys Coffee Shop 1060	0.00	0.00	0.00	0.00	214.93	214.93
Saxbys Coffee Shop 1066	0.00	0.00	0.00	0.00	183.83	183.83
Saxbys Coffee Shop 1068	0.00	0.00	0.00	0.00	-72.10	-72.10
Saxbys Coffee Shop 1071	0.00	0.00	0.00	0.00	438.08	438.08
Saxbys Coffee Shop 1072	0.00	0.00	0.00	0.00	468.53	468.53
Saxbys Coffee Shop 1073	0.00	0.00	0.00	0.00	290.93	290.93
Saxbys Coffee Shop 1074	0.00	0.00	0.00	0.00	289.99	289.99
Saxbys Coffee Shop 1075	0.00	0.00	0.00	0.00	56.23	56.23
Saxbys Coffee Shop 1082	0.00	0.00	0.00	0.00	3,693.83	3,693.83
Saxbys Coffee Shop 1084	0.00	0.00	0.00	0.00	-333.39	-333.39
zReserve	0.00	0.00	0.00	0.00	-67,472.85	-67,472.85
<b>TOTAL</b>	<b>8,924.85</b>	<b>0.00</b>	<b>429.53</b>	<b>388.77</b>	<b>15,029.61</b>	<b>24,772.76</b>